Work Integration Social Enterprises in Wallonia
Agenda

• The development of WISEs: successes and challenges
• The service-voucher system
• The Decree 2012: Changes and prospects
• The future of WISEs: promising and innovative sectors?
The Work Integration Social Enterprises from 1998 to 2012

Outcomes of past successes and failures
Development of Entrepreneurship in IS

• First wave (1998 - 2003): Precursors
• Second wave (2003 - 2006): Emergence of the Service Voucher and a new wave of entrepreneurs
• Third wave (2006 - 2011): Golden age of service-vouchers and development of new sectors
First wave

90’s: development of training centers for low-skilled people (EFT). But few results.

=> Implementation of a new decree : commercial structures with goal:
engagement of low-skilled people
The economic sectors are:

- Recycling
- Building/Construction
- Cafes, restaurants
- ...

First wave
Second wave

Decree 2003, 3 major aims:
• Workers’ lack of productivity is, at the beginning, supported by the State / Region
• Financing of an entrepreneur/director (launch bonus)
• Funding for social support
Second wave

Outcomes of the decree 2003:
• Stabilization of economic activities
• Stabilization of enterprises situation
• The creation of the Service Voucher system has boosted the number of enterprises.
The Service Voucher

Aims of the Law of 2001:
• Tackling illicit work
• Offering work to low-skilled people / fighting unemployment
• Providing financially accessible local services
The Service Voucher

Operationalization:
• Housekeeper
• Ironing center
• Shopping
• Passengers transportation
Service voucher

Basic principles:
- Customers are private persons, without distinction
- Financial intervention of the State (Consumption aid)
- Triangular relationship: customers, workers and companies (unlike France)
Service voucher

Companies:
• 1947 recognized in December 2015, including 711 in Wallonia
• Why Recognized?: compliance with some obligations:
  ☑ Priority commitment of unemployed people
  ☑ Deposit of 25.000 €
The Service Voucher

Companies: Different kinds of structures with respect of some obligations:

- Non-profit
- Local government
- Social economy (with or without social integration)
- Commercial form
- Temporality jobs
The Service Voucher

Financing:
• Customer pays 9.00 € / hour (in fact 8.10 €)

→ State intervention:
• Wallonia: 22.48 - 8.10 = 14.38 €
• Flanders: 22.32 - 6.30 = 16.02 €
The Service Voucher

Employer TS

Surpervising user
(Visit, convention, inquiry, …)

Costumer

surpervising worker
(meetings, wokcontracts, …)

Worker
The Service Voucher

Work conditions:

<table>
<thead>
<tr>
<th></th>
<th>Service Voucher</th>
<th>Classic Sector</th>
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<tbody>
<tr>
<td>Weekly duration</td>
<td>➢ 13 h</td>
<td>➢ 13 h</td>
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<tr>
<td></td>
<td>➢ 10 h</td>
<td></td>
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<tr>
<td>Permanent contract</td>
<td>After 3 months</td>
<td>After 2 years</td>
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<tr>
<td>Continuous training</td>
<td>➢ 12 H/FTE</td>
<td>➢ 33 H/FTE (european commitment)</td>
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<tr>
<td>Average minimum legal weekly working hours</td>
<td>19 heures / FTE</td>
<td>None</td>
</tr>
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</table>
The Service Voucher
The Service Voucher

Users

- Bruxelles
- Flandre
- Wallonie
- Le Royaume

Years: 2004 to 2014

Users: 0 to 1,200,000
### The Service Voucher

#### Voucher bought by Regions

<table>
<thead>
<tr>
<th>Year</th>
<th>Flandres</th>
<th>Wallonie</th>
<th>Communauté germanophone</th>
<th>Bruxelles capitale</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td></td>
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<td>2012</td>
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<td>2015</td>
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</tbody>
</table>
The Service Voucher

Evolution of workers in Belgium

- Male workers
- Female workers
- Total

Year:
- 2014
- 2015
- 2016

Numbers:
- 0
- 20000
- 40000
- 60000
- 80000
- 100000
- 120000
- 140000
The Service Voucher

Evolution of Full Time Equivalent

- FTE man
- FTE Women
- FTE

Série1, Série2, Série3
**THIRD WAGE (2006 – 2011)**

**Golden Age of the Service Voucher**

![Graph showing the trend of EI TS and Non TS over the years 2007 to 2011.](image-url)
From 2010:

- Absenteeism and disease VS Limited subsidy period
- "Break even point"
- Deficits in managerial skills identified as a result of lower financial margins
TO A NEW DECREE (2012)

A redefinition of the WISEs landscape in Wallonia.
TARGET AUDIENCE

• Having at least 50% of (seriously) disadvantaged workers on the payroll within 4 years of being registered;
• At least half-time contract for workers of the target audience;
• Permanent or fixed-term contracts leading to a permanent contract within 6 months;
TARGET PUBLIC

Disadvantaged Worker (DW)

Two compulsory conditions
+
An additional condition from 7 criteria's
**TARGET PUBLIC**

Disadvantaged Worker (DW)

2 compulsory conditions:

- Being an unemployed job seeker registered in the unemployment administration
- Not holding a Secondary School diploma
TARGET PUBLIC

Disadvantaged Worker (DW)
A 3rd condition out of 7 criteria:

• receiving unemployment, or social assistance benefits or no income for at least 6 months
• being more than 50 years old
• being the head of a single-parent family
• being part of the underrepresented sex in the sector or profession in which the WISE is active
• Being potentially discriminated
• being recognized as disabled
Subsidy Amount

For a full-time contract:

From 9,000.00 € to 18,000.00 € split in 4 years. Depending of the size of the company and the sector of activity.
Approval and subsidization conditions

Enrollment in the *Social Economy Decree* and respect the 4 main principles:

- Purpose of service to community or members, rather than purpose of profit
- Management autonomy
- Democratic decision-making process
- Primacy of people and labor on capital in the distribution of incomes
Approval and subsidization conditions

• Legal Status: Being a Cooperative Limited Liability Company (SCRL), a Limited Company (SA) or an Economic Interest Group (GIE).

• Being a commercial company with a social purpose (SFS):
  No partners enrichment (limited patrimonial benefit or no patrimonial benefit)
  Profit allocation policy
  The right to vote at the general meeting
  Limited interest rate on capital (6%)
  Access for staff members to the quality of associate
Approval and subsidization conditions

- Have a maximum wage gap from 1 to 4 between the lowest and the highest wage in the WISE.
- Having a fixed capital of minimum 18,600 € for a cooperative.
- Submitting annually an activity report to the administration
SOCIAL SUPPORT / ASSISTANCE
SOCIAL SUPPORT

Maximum amount of € 100,000 (for 2 FTE social workers), including:

• Wage cost
• Travelling expenses
• Operating costs (limited to 15% of salary costs)
SOCIAL SUPPORT

Social support grant = SGEI mandate

• Complies with de *minimis aid*
• Maximum ceiling of 500,000 € / 3 years
SOCIAL ACCOMPANYING

MISSIONS

=>
WISEs : Significant figures

Evolution of WISEs: TS vs. Out TS
Evolution of WISEs by secteur

Evolution of Employment in WISEs

- **2006**: 2421
- **2007**: 2440,4
- **2008**: 2956
- **2009**: 3305
- **2010**: 3477,9
- **2011**: 3439,9
- **2012**: 3454,6
- **2013**: 3419,6
- **2014**: 3567
- **2015**: 5109

**Nombre d'emplois**

- **2006**: 1900,45
- **2011**: 4841
- **2012**: 4743
- **2013**: 4850
- **2014**: 4515
- **2015**: 4879
Evolution of EFT in and out TS

- ETP en TS
- ETP hors TS

Year:
- 2006: 515
- 2007: 575.4
- 2008: 702
- 2009: 695
- 2010: 693.2
- 2011: 2,770.2
- 2012: 680.6
- 2013: 471
- 2014: 512.6
- 2015: 561.8

Values:
- ETP en TS: 1385.45, 1865, 2254, 2610, 2784.76, 2669.7, 2774, 2711.2, 2907, 3005.2
- ETP hors TS: 515, 575.4, 702, 695, 693.2, 2,770.2, 680.6, 471, 512.6, 561.8
What is the future for WISEs and the Service Voucher sector?
What are the next possible developments?
A pivotal moment:

- Economic crisis
- Crisis of service voucher
- New Decree Changes in entrepreneurial dynamics
- Innovation is in IS DNA
- A model that wants to be meaningful!
Brakes/difficulties to the IS system related to the launching dynamics:

- Projects carried out by collectives versus a single entrepreneur
- Bearers / founders wanting to regain their investment in time versus binding social purpose

Brakes/difficulties linked to securing the first jobs

- Priority: to finance the first jobs to launch and sustain the company
- Consequence: pressure on these first jobs in terms of productivity / results versus integration approach
Conclusions

Findings that meet:
- The end of the "bubble" Service voucher
- An unfavorable environment for business start-ups with accelerated growth
- The evolution of policies and discourse on entrepreneurship: from employment to innovation
- The mutation of "movement" SE
- New forms of entrepreneurship
- New business models (Uber, collaborative platform, ...) which does not encourage permanent contracts.
Legal References

- Décret du 20 novembre 2008 relatif à l’économie sociale
- Décret du 19 décembre 2012, relatif à l’agrément et à l’octroi de subventions aux entreprises d’insertion
- Loi du 20 juillet 2001, visant à favoriser le développement de services et d’emplois de proximité